



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

December 10, 1998

Cross Timbers Oil Company  
810 Houston Street - Suite 2000  
Fort Worth, Texas 76102-6298

Case 12109

Attention: Edwin S. Ryan, Jr.

**RE:** *Administrative application of Cross Timbers Oil Company to drill its Stanolind Gas Com. "D" Well No. 2 at an unorthodox coal gas well location 790' FS & EL (Lot 16/Unit P) of Section 17, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico, in which the N/2 equivalent of Section 17 is to be dedicated in order to form a standard 302.67-acre gas spacing and proration unit within the Basin-Fruitland Coal (Gas) Pool.*

Dear Mr. Ryan:

On December 7, 1998 the Division received an objection from Dugan Production Corporation to the subject application, see copy of a letter attached.

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for January 7, 1999. Please provide adequate notice pursuant to Rule 1207.A(5) of the Division's General Rules and Regulations.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Aztec  
Dugan Producing Corporation (Attn. Kurt H. Fagrelus) - Farmington, New Mexico  
Kathy Valdes - NMOCD, Santa Fe  
Florene Davidson - NMOCD, Santa Fe